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09/058,840	04/13/1998	JAY S. WALKER	17200-010CT1	7897

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EXAMINER

MEINECKE DIAZ, SUSANNA M

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3692

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/058,840	Applicant(s) WALKER ET AL.	
	Examiner Susanna M. Diaz	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 31 October 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 122-165 is/are pending in the application.
4a) Of the above claim(s) 163-165 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 122-162 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on October 31, 2007 has been entered.

Claims 163-165 have been added. Newly submitted claims 163-163 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons: Claims 163-165 are directed toward a different species than the invention presented in claims 122-162. Claims 122-162 (i.e., Species I) bind the customer to purchase the goods or services if a conditional purchase offer is acceptable. On the other hand, claims 163-165 (i.e., Species II) bind the customer to purchase the goods or services in accordance with the terms of the seller's conditional purchase counteroffer. By Applicant's own admission (on page 17 of the response filed October 31, 2007), "Applicants have added claims 163-165 directed to **other** originally-disclosed embodiments." (*Emphasis added*) The species are mutually exclusive and separately patentable embodiments; therefore, a genus-species restriction is deemed proper. No claims are generic.

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for

prosecution on the merits. Accordingly, claims 163-165 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

Claims 122-162 are presented for examination.

Response to Arguments

2. Applicant's arguments filed October 31, 2007 have been fully considered but they are not persuasive.

On page 17 of Applicant's response, "Applicants traverse the various instances of Official Notice asserted in the Office Action and explicitly reserve the right to address each individually at a later time should the need arise." Such a broad challenge is improper. Examiner notes the following discussion of Official Notice taken from the MPEP:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is

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relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2). If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate. (MPEP § 2144.03(C))

First, Applicant has not "specifically point[ed] out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art." Applicant's broad request for references to support Examiner's statements of Official Notice amounts to nothing more than an unsupported challenge. Second, Applicant's challenge is not timely. All statements of Official Notice made in the art rejection have been on record since issuance of the final rejection mailed on June 23, 2004. In the subsequent response filed, Applicant did not properly traverse the Official Notice statements. Consequently, the statements of Official Notice made in the art rejection have been established as admitted prior art due to Applicant's failure to adequately traverse the Examiner's assertions of Official Notice. Therefore, Applicant has not sufficiently switched back to the Examiner the burden of supplying references in support of her assertions of Official Notice.

Applicant's best attempt at traversing Official Notice is in response to the statement that "Official Notice is taken that the use of the Internet...to perform shopping,

including negotiating and bidding functions is old and well known in the art...." (Page 20 of Applicant's response) The Examiner submits the following references to support this statement:

"Wine Auction On The Web"

"ONSALE Brings Thrill of the Auction to the Web"

"Design of an Internet-Based System for Remote Dutch Auctions"

It should be noted that an Internet auction conducted among various bidders (as seen in the aforementioned articles) is exemplary of an Internet shopping environment in which negotiations and bidding are performed.

Applicant argues that Silverman's internal financial/credit account verification is not the same as the claimed system that receives a payment identifier specifying a financial account, wherein the specified financial account is charged (pages 18-20 of Applicant's response). The Examiner respectfully disagrees. Even internal checking of an account for verification that a user is able to pay for a transaction (that will later be carried out if the transaction is approved) implies that a specific account is checked. Since the account is particular to a user, it must have a special payment identifier corresponding to the financial account. Any provision of this information to a user or a different module or element of the system (e.g., in response to a request for a financial/credit account verification) implies that the information is received by a user or a module or element of the system, thereby addressing the claim limitation in question.

In conclusion, Applicant's arguments are non-persuasive and the art rejection is maintained.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 122-162 are rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman et al. (U.S. Patent No. 5,136,501).

Silverman discloses a system for effectuating customer conditional purchase offers for goods or services comprising:

[Claim 122] a network providing a display accessible by customers (col. 6, lines 52-66);

a storage device storing a program (Fig. 1);

a processor in communication with said storage device (Fig. 1; col. 2, lines 18-24), said processor operative with said program to:

receive a selection of a subset of goods or services from a customer utilizing the network (col. 3, lines 18-23; col. 6, lines 34-36, 61-63 -- A buyer enters details regarding a trade offer that he/she is willing to make, based upon an acceptable price, quantity, etc.);

receive a conditional purchase offer from the customer utilizing said network for purchasing goods or services, said conditional purchase offer specifying at least one condition of the conditional purchase offer and an offer price (col. 6, lines 31-36, 61-63 - A buyer enters details regarding a trade offer that he/she is willing to make, based upon an acceptable price, quantity, etc. This information is sent to the distributed matching system);

receive a payment identifier specifying a financial account for use in providing payment for said goods or services if said conditional purchase offer is accepted (col. 1, lines 18-26; col. 7, lines 13-26; col. 21, line 43 through col. 22, line 40 -- A buyer's credit limit is verified to ensure that it meets the criteria of a trade before the trade is agreed to and executed. If a trade is accepted, a clearing agency may process payment. The information identifying a particular buyer's credit limit corresponds to a payment identifier of the buyer's credit account for use in providing payment for an accepted trade); and subsequently:

compare said conditional purchase offer with seller inventory and pricing information from a plurality of sellers of said goods or services to determine if said conditional purchase offer is acceptable, wherein seller identity information is concealed from said customer (col. 6, lines 31-47; col. 7, lines 13-20; col. 10, lines 21-28; col. 21, line 43 through col. 22, line 40 -- A match is made when the distributed matching system identifies a seller with a bid that meets the price and quantity conditions of the offer. Also, the distributed matching system receives information regarding the buyer's available credit in order to ensure that the buyer can pay for the requested trade);

if said conditional purchase offer is acceptable, bind said customer to purchase the goods or services, provide an acceptance to said customer in response to the conditional purchase offer, charge said financial account for payment of said goods or services, and provide payment to said seller for said goods or services (col. 7, lines 13-20 -- When a match is found, the trade is “automatically executed,” thereby implying that the customer, i.e., the buyer, is bound to complete the requested trade when his/her offer is matched. A clearing agency may then be used to effect payment);

[Claim 124] wherein said seller inventory and pricing information includes seller-defined rules (col. 6, lines 31-47, 61-62 -- Since the seller presents the bid conditions, including price and quantity, that he/she is willing to accept, the seller defines acceptable rules for the trade from his/her end);

[Claim 129] wherein said payment for said goods or services is guaranteed (col. 21, line 44 through col. 22, line 40 -- By approving a buyer’s credit, it is being asserted that the buyer can pay for a trade within the approved credit limit);

[Claim 130] wherein said payment to said seller for goods or services is provided with funds charged to said financial account (col. 7, lines 13-20 -- The use of a clearing agency to effect payment implies that funds are being charged to a buyer’s financial account);

[Claim 132] wherein said processor is further operative with said program to authenticate said conditional purchase offer prior to consideration thereof (col. 7, lines 20-26; col. 21, line 44 through col. 22, line 40 -- The central system verifies that the buyer can meet the conditions of the submitted offer).

As per claims 122 and 125, Silverman's invention is conducted over a network of computers; however, Silverman fails to expressly teach that a user accesses the network through a web server connected to a web page that is accessed through a web browser. However, Official Notice is taken that the use of the Internet (which would include a web server connected to a web page that is accessed through a web browser) to perform shopping, including negotiating and bidding functions, is old and well-known in the art. The use of the Internet for shopping has greatly increased the body of customers available to merchants and vice versa, thereby creating a shopping environment that better suits the material and economic needs of both merchants and customers alike. Silverman promotes the matching of buyers and sellers with common trading goals; therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to adapt Silverman to function over a network accessed through a web server connected to a web page that is accessed through a web browser in order to increase the body of buyers available to sellers and vice versa, thereby creating a trading environment that better suits the material and economics needs of both sellers and buyers alike

Regarding claim 123, Silverman fails to expressly teach an expiration date associated with a buyer's offers; however, Silverman does inform its participants of the best inside prices for trades at all times (col. 6, lines 52-60). Also Silverman has the option of disposing of an offer or bid when a match cannot be found (col. 7, lines 20-26). In such a dynamic market, the value of traded instruments is consistently going up and

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down; therefore, a bid/offer that seems reasonable one day might be completely unreasonable the next day. In order to protect the buyers' and sellers' respective interests, one would likely set an expiration date for matching a given offer/bid in order to reflect the most reasonable and current prices of the traded instruments. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to limit the conditional purchase offers made in Silverman's trading system to a specified expiration date in order to protect the buyers' and sellers' respective interests by limiting the effectiveness of their respective offers and bids to a realistic time period during which the offered and bid prices of the traded instruments remain reasonable in light of the current market.

Regarding claims 126, 127, and 133, Silverman teaches the use of a clearing agency to effect payment (col. 7, lines 13-20), which implies that funds are being charged to a buyer's financial account; however, Silverman fails to specify the type of financial account from which funds are transferred. Official Notice is taken that the use of debit accounts, credit accounts, and credit card accounts (with an associated credit card number) to make payments are old and well-known in the art [now admitted prior art]. Each type of account facilitates quick and easy authorizations of electronic payments [now admitted prior art]. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to allow Silverman's buyers to make payment through a debit account, credit account, or credit card account (with an associated credit card number) in order to facilitate quick and easy authorizations of electronic payments.

As per claim 128, Silverman discloses the pre-authorization of an offer price of the buyer's conditional purchase offer (col. 7, lines 20-26; col. 21, line 44 through col. 22, line 40 -- The central system verifies that the buyer can meet the conditions of the submitted offer); however, Silverman fails to teach that this pre-authorization is granted through a financial clearing house *per se*. Silverman does disclose the use of a clearing agency to effect payment (col. 7, lines 13-20). Clearing agencies often have access to even more comprehensive financial details of a customer than the average third-party broker; therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to adapt Silverman to allow its clearing agency to perform the pre-authorization in order to provide a pre-authorization based on more comprehensive financial details, thereby lending more credence to the pre-authorization decision.

Regarding claims 131 and 134 (and 155, listed below), Silverman's anonymous matching system essentially serves as a financial trade broker. While Silverman does not explicitly disclose that a commission or broker's fee is paid to the owner of the anonymous matching system, Official Notice is taken that it is old and well-known in the art of trading to provide a commission or broker's fee to a broker for trades in which he/she assisted [now admitted prior art]. This commission/broker's fee compensates the broker for time and resources invested in effecting the trade [now admitted prior art]. Furthermore, Official Notice is taken that it is old and well-known in the art for the seller of a commodity (e.g., a house) to be responsible for paying a commission/broker's fee to a broker (e.g., a real estate agent) based either on a percentage of an offer price or a

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flat fee [now admitted prior art]. These details are merely contractual elements that are set forth by participants in a transaction. Such an arrangement encourages the buyers to make a purchase without having to worry about the details of paying out a commission/broker's fee. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to calculate a discounted value of the offer price, charge a financial account for the offer price, and provide payment to said seller for said goods or services of an amount equal to a percentage of the offer price or a fee independent of the offer price (i.e., provide a commission or broker's fee to a broker for trades in which he/she assisted) as part of Silverman's anonymous matching system in order to compensate the broker for time and resources invested in effecting the trade. Also, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to provide said acceptance of a trade to said customer, i.e., the buyer, without indication of amounts paid to a seller for said goods or services, i.e., the trade, in order to encourage Silverman's buyers to make a purchase without having to worry about the details of paying out a commission/broker's fee.

[Claim 135] Claim 135 recites limitations already addressed by the rejection of claim 122 above; therefore, the same rejection applies.

[Claims 136-141] Claims 136-141 recite limitations already addressed by the rejection of claims 122-127 above; therefore, the same rejection applies. Furthermore,

as per claim 136, as discussed above, Silverman discloses the use of a clearing agency, i.e., “an entity other than the seller,” to effect payment (col. 7, lines 13-20).

[Claims 142-147] Claims 142-147 recite limitations already addressed by the rejection of claims 122-127 above; therefore, the same rejection applies.

[Claims 148-154] Claims 148-154 recite limitations already addressed by the rejection of claims 122-127 above; therefore, the same rejection applies. Furthermore, as per claims 148 and 149, as discussed above, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to implement Silverman's automated matching system over a network accessed through a web server connected to a web page that is accessed through a web browser for the reasons set forth above. Inherent to such a modified version of Silverman would be the ability to enter trading data via the Internet, which would imply that the customer enters conditional purchase offer information “by filling out at least one electronic form from said web page for purchasing goods or services.”

[Claims 155-160] Claims 155-160 recite limitations already addressed by the rejection of claims 122-127, 131, 134, 148, and 149 above; therefore, the same rejection applies. Furthermore, as per claim 155, please see the rejection of claims 131 and 134 in particular, set forth above. Additionally, Official Notice is taken that it is old and well-known in the art to pre-authorize a transaction based on a buyer's available

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credit on a credit card to be used for payment [now admitted prior art]. This practice helps to ensure that the buyer can pay for a requested transaction with the presented credit card [now admitted prior art]. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to implement with Silverman the step of receiving a credit card number specifying a credit card account for use in providing guaranteed payment for goods or services, i.e., trades, if said conditional purchase offer is accepted in order to help ensure that the buyer can pay for a requested transaction with the presented credit card.

[Claim 161] Claim 161 recites limitations already addressed by the rejection of claim 133 (particularly the limitations of claim 133 and its independent claim 122) above; therefore, the same rejection applies. The authorization to charge a financial account is deemed inherent to the agreement from the customer to charge his/her financial account if the conditional purchase offer is deemed acceptable. Claim 133 specifically addresses the use of a credit card account as the financial account.

[Claim 162] Claim 162 recites limitations already addressed by the rejection of claim 122 above; therefore, the same rejection applies.

Conclusion

5. This is a request for continued examination. All claims are drawn to the same invention claimed in the earlier application and could have been finally rejected on the

grounds and art of record in the next Office action if they had been entered in the earlier application. Accordingly, **THIS ACTION IS MADE FINAL** even though it is a first action in this case. See MPEP § 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no, however, event will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (571) 272-6733. The examiner can normally be reached on Monday-Friday, 8 am - 4:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Susanna M. Diaz/
Primary Examiner, Art Unit 3692
January 22, 2008